
LEGISLATION AND POLICY

Conventional Arms Transfers to Developing Nations, 1992-1999

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[The following are extracts from an unclassified report of conventional arms transfers to developing nations as published under the above title by the Library of Congress on August 18, 2000. Macro data on worldwide arms transfer agreements and deliveries are also included. The selections included herein begin with a discussion of major research findings regarding the dollar value of both arms transfer agreements and arms deliveries to the developing countries from 1992 through 1999. These findings are all cross-referenced to comparative data tables which are presented following the textual material. Special attention is given to the roles of the United States, the former Soviet Union, and China as arms suppliers, and to identification of the leading Third World arms recipient nations. The report concludes with a listing of the type and quantity of weapons delivered to developing nations by major arms suppliers from 1992-1999. Copies of the complete document are available from the Foreign Affairs and National Defense Division, Congressional Research Service, The Library of Congress, Washington DC 20540].

Introduction

This report provides unclassified background data from U.S. government sources on transfers of conventional arms to developing nations by major suppliers for the period 1992 through 1999. It also includes some data on world-wide supplier transactions. It updates and revises the report entitled *Conventional Arms Transfers to Developing Nations, 1991-1998*, published by the Congressional Research Service (CRS) on August 4, 1999 (CRS Report RL30275).

The data in the report illustrate how global patterns of conventional arms transfers have changed in the post-Cold War and post-Persian Gulf War years. Relationships between arms suppliers and recipients continue to evolve in response to changing political, military, and economic circumstances. Despite global changes since the Cold War's end, the developing world continues to be the primary focus of foreign arms sales activity by conventional weapons suppliers. During the period of this report, 1992-1999, conventional arms transfers to developing nations have comprised 68.3 percent of the value of all international arms transfers. In 1999, arms transfer agreements, which represent orders for future delivery, with developing countries rose significantly from 1998 totals, comprising 68 percent of the value of an such agreements globally. The portion of agreements with developing countries constituted 66.4 percent of all agreements globally from 1996-1999. Deliveries of conventional arms to developing nations, from 1996-1999, constituted 77.9 percent of all international arms deliveries. In 1999, arms deliveries to developing nations constituted 66.8 percent of the value of all such arms deliveries worldwide.

The data in this new report completely supercede all data published in previous editions. Since these new data for 1992-1999 reflect potentially significant updates to and revisions in the underlying databases utilized for this report, only the data in this most recent edition should be used. The data are expressed in U.S. dollars for the calendar years indicated, and adjusted for inflation. U.S. commercially licensed arms exports are incorporated in the main delivery data tables, and noted separately. Excluded are arms transfers by any supplier to subnational groups.

Calendar Year Data Used

All arms transfer and arms delivery data in this report are for the calendar year or calendar year period given. This applies to both U.S. and foreign data alike. United States government departments and agencies publish data on U.S. arms transfers and deliveries but generally use the United States fiscal year as the computational time period for these data. (A U.S. fiscal year covers the period from October 1 through September 30). As a consequence, there are likely to be distinct differences noted in those published totals using a fiscal year basis and those provided in this report which use a calendar year basis for its figures. Details regarding data used are outlined in footnotes at the bottom of Tables 1, 2, 8, and 9.

Constant 1999 Dollars

Throughout this report values of arms transfer agreements and values of arms deliveries for all suppliers are expressed in U.S. dollars. Values for any given year generally reflect the exchange rates that prevailed during that specific year. In many instances, the report converts these dollar amounts (current dollars) into constant 1999 dollars. Although this helps to eliminate the distorting effects of U.S. inflation to permit a more accurate comparison of various dollar levels over time, the effects of fluctuating exchange rates are not neutralized. The deflators used for the constant dollar calculations in this report are those provided by the U.S. Department of Defense and are set out at the bottom of Tables 1, 2, 8, and 9. Unless otherwise noted in the report, all dollar values are stated in constant terms. Because all regional data tables are composed of four-year aggregate dollar totals (1992-1995 and 1996-1999), they must be expressed in current dollar terms. Where tables rank leading arms suppliers to developing nations or leading developing nation recipients using four-year aggregate dollar totals, these values are expressed in current dollars.

Definition of Developing Nations and Regions

The developing nations category, as used in this report, includes all countries except the United States, Russia, European nations, Canada, Japan, Australia, and New Zealand. A listing of countries located in the regions defined for the purpose of this analysis—Asia, Near East, Latin America, and Africa—is provided at the end of the report.

Major Findings

General Trends in Arms Transfers Worldwide

The value of all arms transfer agreements worldwide (to both developed and developing nations) in 1999 was nearly \$30.3 billion. This is a clear increase in arms agreements values over 1998. This total, however, is substantially lower than those reached in the early 1990s, the period of post-Persian Gulf War rearmament. (Chart 1) (Table 8A).

In 1999, the United States led in arms transfer agreements worldwide, making agreements valued at nearly \$11.8 billion (38.9 percent of all such agreements), up from \$10.3 billion in 1998. Russia ranked second with \$4.8 billion in agreements (15.9 percent of these agreements globally), up notably from \$2.6 billion in 1998. Germany ranked third, even as its arms transfer agreements worldwide dropped from \$5.1 billion in 1998 to \$4 billion in 1999. The United States, Russia and Germany, collectively made agreements in 1999 valued at nearly \$20.6 billion, 68 percent of all international arms transfer agreements made by all suppliers (Tables 8A and 8B).

For the period 1996-1999, the total value of all international arms transfer agreements (about \$115.3 billion) has been notably less than the worldwide value during 1992-1995 (\$150.4 billion), a decline of 23.3 percent. As the worldwide arms transfer agreement totals have declined, those with the developing world have declined to a smaller degree. During the period 1992-1995, developing world nations accounted for 69.7 percent of the value of all arms transfer agreements made worldwide. During 1996-1999, developing world nations accounted for 66.4 percent of all arms transfer agreements made globally. In 1999, developing nations accounted for 68 percent of an arms transfer agreements made worldwide (Table 8A).

In 1999, the United States ranked first in the value of all international arms deliveries, making \$18.4 billion in such deliveries or over 54 percent. This is the eighth year in a row that the United States has led in global arms deliveries, reflecting, in particular, implementation of arms transfer agreements made during and in the aftermath of the Persian Gulf war. The United Kingdom ranked second in worldwide arms deliveries in 1999, making \$4.5 billion in such deliveries. Russia ranked third in 1999, making \$2.7 billion in such deliveries. These top three suppliers of arms in 1999 collectively delivered \$25.6 billion, 75.3 percent of all arms delivered worldwide by all suppliers in that year. (Tables 9A and 9B).

The value of all international arms deliveries in 1999 was nearly \$34 billion. This is a decrease in the total value of arms deliveries from the previous year (\$36.4 billion), and the second lowest total of the last eight years. The total value of such arms deliveries worldwide in 1996-1999 (\$150.3 billion) was an increase in the value of arms deliveries by all suppliers worldwide from 1992-1995 (about \$145.9 billion). (Tables 9A and 9B).

**Figure 1. Worldwide Arms Transfer Agreements,
1992-1999 and Suppliers' Share with Developing World
(in millions of constant 1999 U.S. dollars)**

Supplier	Worldwide Agreements Value 1992-1995	Percentage of Total with Developing World
United States	72,803	59.40
Russia	17,529	73.90
France	28,834	90.90
United Kingdom	6,968	88.70
China	2,047	100.00
Germany	4,898	34.80
Italy	2,581	78.60
All Other European	8,877	70.70
All Others	5,857	71.30
TOTAL	150,394	69.70

Supplier	Worldwide Agreements Value 1996-1999	Percentage of Total with Developing World
United States	41,683	61.70
Russia	16,080	89.10
France	12,326	72.80
United Kingdom	8,513	55.50
China	5,261	92.00
Germany	9,876	36.90
Italy	2,269	45.70
All Other European	12,519	70.50
All Others	6,818	66.00
TOTAL	115,345	66.40

Supplier	Worldwide Agreements Value 1999	Percentage of Total with Developing World
United States	11,768	68.60
Russia	4,800	85.40
France	900	44.40
United Kingdom	Soo	62.50
China	1,900	100.00
Germany	4,000	50.00
Italy	600	66.70
All Other European	4,600	56.50
All Others	900	66.70
TOTAL	30,268	68.00

**Figure 2. Worldwide Arms Deliveries, 1992-1999
and Suppliers' Share with Developing World
(in millions of constant 1999 U.S. dollars)**

Supplier	Worldwide Deliveries Value 1992-1995	Percentage of Total to Developing World
United States	65,539	69.53
Russia	12,663	89.40
France	8,964	57.70
United Kingdom	24,022	96.20
China	3,980	97.10
Germany	6,538	41.10
Italy	1,254	44.60
All Other European	14,946	57.40
All Others	8,252	59.00
TOTAL	145,888	72.60

Supplier	Worldwide Deliveries Value 1996-1999	Percentage of Total to Developing World
United States	68,503	66.20
Russia	10,800	79.80
France	19,238	90.70
United Kingdom	22,508	87.50
China	2,609	96.10
Germany	4,871	33.80
Italy	1,045	70.50
All Other European	13,017	72.80
All Others	7,670	43.60
TOTAL	150,261	77.90

Supplier	Worldwide Deliveries Value 1999	Percentage of Total to Developing World
United States	18,351	61.90
Russia	2,700	74.10
France	2,400	91.70
United Kingdom	4,500	86.70
China	300	100.00
Germany	1,200	50.00
Italy	100	0.00
All Other European	2,400	75.00
All Others	2,000	25.00
TOTAL	33,951	66.80

Developing nations from 1996-1999 accounted for 77.9 percent of the value of an international arms deliveries. In the earlier period, 1992-1995, developing nations accounted for 72.6 percent of the value of all arms deliveries worldwide. Most recently, in 1999, developing nations collectively accounted for 66.8 percent of the value of all international arms deliveries Tables 2A, 9A and 9B.

There continues to be intense competition among major weapons suppliers. Yet, the limited resources of most developing nations to expend on weapons, and the need of many selling nations to secure cash for their weapons, also places constraints on significant expansion of the arms trade. Developed nations are likely to continue to seek to protect important elements of their own national military industrial bases, and, as a result, are likely to limit their weapons purchases from one another. In these circumstances, those nations that effectively restructure and consolidate their defense industries seem most likely to be the key players in the emerging international arms marketplace. Some traditional arms supplying nations may further deem it necessary to engage in more joint production ventures or in multinational mergers, such as some German and French defense firms did in forming EADS (European Aeronautic, Defense and Space Company) in 1999, to sustain the competitiveness and viability of their national defense industrial sectors.

Various weapons exporters are seeking to maintain and expand arms sales to nations and regions where they have competitive advantages due to prior political/military ties to the prospective buyers. New arms sales opportunities may yet develop with some European nations in the new century due to the expansion of NATO. To date, this has not occurred to any notable degree. The limited financial resources of the new NATO members has been an important impediment to significant new arms purchases by them. Consequently, these nations are likely, in the near term, to focus on upgrades of existing weapons systems in ways that require fewer major expenditures by their governments.

As individual nations in the Near East, Asia, and Latin America attempt to replace older military equipment, it is possible that additional notable arms sales may result. Nonetheless, a large part of the developing world has not recovered fully from recent international financial problems. The 1997-1998 fall in the price of crude oil, now reversed, created great financial difficulties for some Persian Gulf states. Saudi Arabia found itself in significant financial straits, in light of the various obligations it undertook during and after the 1990-1991 Persian Gulf War, its domestic spending programs, and the magnitude of the costs associated with its weapons procurement program. Although since 1999, the price of crude oil has risen significantly, that fact does not necessarily mean that most major oil producing nations in the developing world will soon launch new, expensive, weapons procurements. The United Arab Emirates (U.A.E.) has made measured and significant purchases of advanced military hardware, particularly combat aircraft. The U.A.E. has been in sound financial condition, and this circumstance has made it a prime client for major arms suppliers, while giving it significant leverage in bargaining over final weapons contracts.

The financial crisis in Asia in 1997 led to a major curtailment of planned weapons purchases by several nations in that region, and had the additional effect of reducing the income of other developing countries dependent on trade with Asia. While the economic situation in Asia appears to have stabilized, the improved financial environment has not resulted in full restoration of arms procurement plans underway in key Asian nations at the time they fell into financial difficulties. Although some Latin American countries have expressed interest in modernizing older items in their military inventories, domestic budget constraints have so far curtailed implementation of

these programs. A lack of necessary national funds and the paucity of financing credits has also led many developing nations to curtail or defer purchases of additional weaponry. Given the present international economic environment, it seems likely that major weapons purchases will be made by more affluent developing countries, and that the remainder of the arms trade will be based on the support and maintenance of existing weapons systems and related equipment, and/or significant upgrades of these systems and equipment, where feasible.

General Trends in Arms Transfers to Developing Nations

The value of all arms transfer agreements with developing nations in 1999 was nearly \$20.6 billion. This was the highest total, in real terms, since 1996. The total value of new arms transfer agreements with developing nations has generally declined since 1992 (Chart 1) (Table 1A). In 1999, the value of all arms deliveries to developing nations (\$22.7 billion) was a substantial decrease from the value of 1998 deliveries values (\$26.5 billion), and the lowest total of the last eight years (Table 2A).

Recently, from 1996-1999, the United States, Russia, and France have dominated the arms market in the developing world, with the United States ranking first each of the last two years in the value of arms transfer agreements. From 1996-1999, the United States made \$25.7 billion in arms transfer agreements with developing nations, 33.6 percent of all such agreements. Russia, the second leading supplier during this period, made \$14.3 billion in arms transfer agreements or 18.7 percent. France, the third leading supplier, made nearly \$9 billion or 11.7 percent of all such agreements with developing nations during these years. In the earlier period (1992-1995) the United States ranked first with nearly \$43.3 billion in arms transfer agreements with developing nations or 41.3 percent; France made \$26.2 billion in agreements or 25 percent. Russia made nearly \$13 billion in arms transfer agreements during this period or 12.3 percent (Table 1A).

Throughout the 1990s, most arms transfers to developing nations were made by two to three major suppliers in any given year. The United States has ranked either first or second among these suppliers every year from 1992-1999. France has been a consistent competitor for the lead in arms transfer agreements with developing nations, ranking first in 1994 and 1997, and second in 1992, 1993, and 1998, although Russia has ranked second or third during the 1996-1999 period. As competition over the international arms market intensifies, France seems more likely to rank higher in arms deals with developing nations than Russia. As a supplier nation, Russia has more significant limitations in its prospective arms client base than other major western suppliers. Arms suppliers like the United Kingdom and Germany, from time to time, may conclude significant orders with developing countries. At the turn of a new century, however, the United States seems best positioned to lead in new arms agreements with developing nations. Furthermore, it seems likely that very expensive weapons orders from individual developing countries will be sporadic in the near term. Consequently, the overall level of the arms trade is likely to remain generally flat for the foreseeable future, with annual sales totals well below those of the Persian Gulf War period.

Suppliers in the tier below the United States, France, Russia, and the United Kingdom, such as Germany, China, other European, and non-European suppliers, have been participants in the arms trade with developing nations at a much lower level. They are, nonetheless, capable, of making an occasional arms deal of a significant nature. However, most of their annual arms transfer agreements totals during 1992-1999 are at comparatively low levels. Few of these countries are likely to be major suppliers of advanced weaponry on a sustained basis. With a few

exceptions, most of them are more likely to make sales of less sophisticated and less expensive military equipment (Tables 1A, 1F, 1G, 2A, 2F, and 2G).

United States

In 1999, the total value, in real terms, of United States arms transfer agreements with developing nations rose to about \$8.1 billion from \$6.4 billion in 1998. The U.S. share of the value of all such agreements was 39.2 percent in 1999, a slight increase from 38.3 percent in 1998 (Chart 1), and (Tables 1A and 1B).

The high value of U.S. arms transfer agreements with developing nations is attributable to major purchases by key U.S. clients in the Near East, and to a lesser extent in Asia, together with continuation of well established defense support arrangements with such purchasers. U.S. transactions with these buyers in 1999 included not only the sale of new weapons systems, but the upgrading of existing ones, and provision of various spare parts, ammunition, ordnance, training, and support services. Among major weapons systems sold in 1999 by the United States were fifty F-16D fighter aircraft to Israel for over \$2 billion and 24 F16C/D fighter aircraft to Egypt for about 1 billion. Egypt also purchased an M1A1 Abrams main battle tank package for co-production of 100 tanks. In Asia, the United States sold Singapore 8 AH-64D Apache helicopters for about \$400 million. Taiwan also purchased CH-47SD Chinook helicopters and two E-2 Hawkeye AEW aircraft. Although such sales of new weapons systems were an important element of the U.S. sales totals for 1999, the sale of spare parts, upgrades to existing systems, munitions, training, and support services still accounted for a very significant part of overall U.S. arms orders, reflecting the large number of nations in the developing world that have acquired and continue to use American military equipment.

Russia

The total value of Russia's arms transfer agreements with developing nations rose notably from about \$2.3 billion in 1998 to \$4.1 billion in 1999, placing it second in such agreements with the developing world. Russia's share of all developing world arms transfer agreements increased as well, rising from 13.4 percent in 1998 to 19.9 percent in 1999 (Chart 1), (Figure 1), (Tables 1A, 1B and 1G).

Russia's arms transfer agreements totals with developing nations declined every year from 1995 through 1998, although during this four-year period it actually ranked second among all major suppliers to developing countries, making over \$14.3 billion in agreements. Its arms agreement values ranged from a high of \$5.8 billion in 1995 to a low of \$1.4 billion in 1993 (in constant 1999 dollars). Russia's arms sales performance reflects the continuing effect of the economic and political problems stemming from the breakup of the former Soviet Union. Many of Russia's traditional arms clients are less wealthy developing nations that were once provided generous grant military assistance and deep discounts on arms purchases. After the dissolution of the Soviet Union in December 1991, Russia did not resume those practices. Russia now actively seeks to sell weapons as a means of obtaining hard currency. Although some former arms clients in the developing world continue to express interest in obtaining additional Russian weaponry, they have been restricted in doing so by a lack of funds to pay for the armaments they seek.

In its efforts to make lucrative new sales of conventional weapons, Russia has confronted significant difficulties as most potential cash-paying arms purchasers have been longstanding

customers of the United States or major West European suppliers. These prospective arms buyers have proven reluctant to replace their weapons inventories with unfamiliar non-Western armaments when newer versions of existing equipment are readily available from their traditional suppliers, even in an era of intense competition. The difficult transition Russia has been making from the state supported and controlled industrial system of the former Soviet Union has also led some potential arms customers to question whether the Russian defense industries can be reliable suppliers of the spare parts and support services necessary for the maintenance of weapons systems they sell abroad.

Nevertheless, because Russia has had a wide variety of weaponry to sell, from the most basic to the highly sophisticated, and despite the internal problems evident in the Russian defense industrial sector, various developing countries still view Russia as a potential source of their military equipment. Accordingly, Russia has made strong efforts to gain arms agreements with developing nations that can pay cash for their purchases, and Russian sales since 1995 indicate that Russia has had varying degrees of success in doing so. During this period, Russia made smaller arms deals with Kuwait and the United Arab Emirates for armored fighting vehicles and with Malaysia for MiG-29 fighter aircraft. Iran, primarily due to its own economic difficulties, as well as U.S. pressure on Russia, recently ceased to be a major purchaser of arms from the Russians. Iran had been a primary purchaser of Russian armaments in the early 1990s, receiving such items as MiG-29 fighter aircraft, Su-24 fighter-bombers, T-72 tanks and Kilo class attack submarines. Iraq was once a major purchaser of advanced weaponry from Russia, but has been a lost source of orders since the Persian Gulf war.

Russia's principal arms clients since 1994 have been China and India. Among Russia's notable arms deals during the most recent years have been the sale of 40 new Su-30MK fighter aircraft to India, a major longstanding client. Various elements of a longer range plan for procurement as well as co-production of a number of advanced Russian weapons systems were agreed to with India in 1999, which are likely to result in significant aircraft, missile, and naval craft sales to the Indian government in the near future. Russia's arms supplying relationship with China began to mature in 1994. By 1996 Russia had sold China at least 72 Su-27 fighter aircraft as well as four Kilo class attack submarines. Subsequently, a licensing agreement was finalized between Russia and China, permitting the Chinese to co-produce at least 200 Su-27 aircraft. Russia also sold China two Sovremenny-class destroyers. In 1999, the Chinese purchased between 40-60 Su-30 multi-role fighter aircraft for an estimated \$2 billion, and other deals for future procurement of other weapons systems were agreed to in principle. Thus it appears likely that China and India will continue to figure significantly in Russia's arms export calculus for the foreseeable future.

China

China emerged as an important arms supplier to developing nations in the 1980s, primarily due to arms agreements made with both combatants in the Iran-Iraq war. During the period of this report, the value of China's arms transfer agreements with developing nations reached its peak in 1999 at \$1.9 billion. Its sales figures in 1999 resulted generally from several smaller valued weapons deals in Asia, Africa, and the Near East, rather than one or two especially large sales of major weapons systems. Pakistan continues as a key Chinese client. From 1992 through 1999, the value of China's arms transfer agreements with developing nations has averaged \$860 million annually. China, more recently, has become a major purchaser of arms, primarily from Russia (Tables 1A and 1G.)

Since the late 1980s, few clients with financial resources have sought to purchase Chinese military equipment, much of which is less advanced and sophisticated than weaponry available from Western suppliers and Russia. China does not appear likely to be a major supplier of conventional weapons in the international arms market in the foreseeable future. However, reports persist in various publications that China has sold surface-to-surface missiles to Pakistan, a traditional client. Iran and North Korea have also reportedly received Chinese missile technology. These reports raise important questions about China's expressed commitment to the restrictions on missile transfers set out in the Missile Technology Control Regime (MTCR). With a need for hard currency, and with products (especially missiles) that some developing countries would like to acquire, China can present an important obstacle to efforts to stem proliferation of advanced missile systems to some areas of the developing world where political and military tensions are significant.

Major West European Suppliers

The four major West European suppliers (France, United Kingdom, Germany, and Italy), as a group, registered a significant decrease in their collective share of all arms transfer agreements with developing nations between 1998 and 1999. This group's share fell from 30.5 percent in 1998 to 16 percent in 1999. The collective value of this group's arms transfer agreements with developing nations in 1999 was \$3.3 billion compared with a total of over \$5.1 billion in 1998. Of these four, Germany was the principal supplier with \$2 billion in agreements, an increase from \$1.5 billion in 1998. The German agreement total in 1999 was primarily attributable to the sale to South Africa of four MEKO A200 patrol corvettes and three Class 209 diesel-electric submarines. France registered a significant decline in arms agreements from \$2.6 billion in 1998 to \$400 million in 1999. The United Kingdom also registered a notable decline in arms agreements from over \$1 billion in 1998 to \$500 million in 1999. Italy, meanwhile, registered an increase from essentially nil in 1998 to \$400 million in 1999 (Tables 1A and 1B).

The four major West European suppliers, collectively, held a 30 percent share of all arms transfer agreements with developing nations during the period from 1992-1999. Since the end of the Persian Gulf War, the major West European suppliers have generally maintained a notable share of arms transfer agreements. For the 1996-1999 period, they collectively held 24 percent of all arms transfer agreements with developing nations (\$18.4 billion). Individual suppliers within the major West European group have had notable years for arms agreements, especially France in 1992, 1993, 1994, and 1997 (\$10.1 billion, \$4.5 billion, \$9 billion, and \$4.8 billion respectively). The United Kingdom also had large agreement years in 1992, 1993, and 1996 (\$2.1 billion, \$2.6 billion, and \$2.1 respectively). Germany's agreement total in 1999 of \$2 billion was its highest over the last eight years. For each of these three nations, large agreement totals in a single year have reflected the conclusion of a few very large arms contracts with one or more major purchasers in the particular year (Table 1A and 1B).

The major West European suppliers have had their competitive position in weapons exports enhanced by traditionally strong government marketing support for foreign arms sales. Since they can produce both advanced and basic air, ground, and naval weapons systems, the four major West European suppliers have proven capable of competing successfully with the United States and Russia for arms sales contracts with developing nations. The relative decline in overall demand in the global arms marketplace does, however, create a more difficult environment for individual West European suppliers to secure large new contracts with developing nations on a sustained basis. Consequently, some of these suppliers may chose not to compete for some sales

of certain types of weapons systems, even reducing or eliminating some categories of items they have been producing. Instead, they may embrace increasing numbers of joint production ventures with other key European weapons suppliers or even purchasers in an effort to sustain major sectors of their individual defense industrial bases. The recent trend toward mergers of various European defense firms may encourage more joint ventures of this kind.

Regional Arms Transfer Agreements

The Persian Gulf War from August 1990-February 1991 played a major role in stimulating high levels of arms transfer agreements with nations in the Near East region. The war created new demands by key purchasers such as Saudi Arabia, Kuwait, the United Arab Emirates, and other members of the Gulf Cooperation Council (GCC), for a variety of advanced weapons systems. These demands were not only a response to Iraq's aggression against Kuwait, but concerns regarding perceived threats from a potentially hostile Iran. In Asia, efforts in several countries focused on upgrading and modernizing defense forces have led to important new conventional weapons sales in that region. Russia also, in the 1990s, developed a significant role as the principal supplier of advanced conventional weaponry to China. The data on regional arms transfer agreements from 1992-1999 continue to reflect the primacy of developing nations in the Near East and Asia regions as customers for conventional armaments.

Near East

The Near East has generally been the largest arms market in the developing world. In 1992-1995, it accounted for 52.1 percent of the total value of all developing nations arms transfer agreements (\$48.1 billion in current dollars). During 1996-1999, the region accounted for 46.3 percent of all such agreements (\$34.3 billion in current dollars).

The United States has dominated arms transfer agreements with the Near East during the 1992-1999 period with 50.9 percent of their total value (\$41.9 billion in current dollars). France was second during these years with 26.6 percent (\$21.9 billion in current dollars). Recently, from 1996-1999, the United States accounted for 49.3 percent of arms agreements with this region (over \$16.9 billion), while France accounted for 20.4 percent of the region's agreements (\$7 billion in current dollars), representing most of the arms transfer agreements by the major West European suppliers with the Near East.

Asia

Asia has generally been the second largest developing world arms market. In the earlier period (1992-1995), Asia accounted for 40.4 percent of the total value of an arms transfer agreements with developing nations (\$37.3 billion in current dollars). During 1996-1999, the region accounted for 37.6 percent of all such agreements (\$27.9 billion in current dollars).

In the earlier period (1992-1995), the United States ranked first in the value of arms transfer agreements with Asia with 30.6 percent. Russia ranked second with 22.3 percent. The major West European suppliers, as a group, made 32.2 percent of this region's agreements in 1992-1995. In the later period (1996-1999), Russian ranked first in Asian agreements with 37 percent, on the strength of major combat aircraft sales to China and India. The United States ranked second with 23.9 percent. The major West European suppliers, as a group, made 20.8 percent of this region's agreements in 1996-1999.

Leading Developing Nations Arms Purchasers

Saudi Arabia has been, by a clear margin, the leading developing world arms purchaser from 1992-1999, making arms transfer agreements totaling \$28.9 billion during these years (in current dollars). In the 1992-1995 period, the value of its arms transfer agreements was high (\$21.8 billion in current dollars). From 1996-1999, however, the total value of Saudi Arabia's arms transfer agreements dropped significantly to \$7.1 billion (in current dollars). This decline resulted from Saudi debt obligations stemming from the Persian Gulf era, coupled with a significant fall in Saudi revenues caused by the notable decline in the market price of its oil. The total value of all arms transfer agreements with developing nations from 1992-1999 was \$166.1 billion in current dollars. Saudi Arabia alone was responsible for 17.4 percent of all developing world arms transfer agreements during these eight years. In the most recent period, 1996-1999, Saudi Arabia ranked third in arms transfer agreements by developing nations behind the United Arab Emirates (\$7.7 billion in current dollars) and India (\$7.3 billion in current dollars), yet still accounted for nearly 10 percent of the value of all developing world arms transfer agreements (\$7.1 billion out of \$73.9 billion in current dollars) (Table 1 and 1I).

The values of the arms transfer agreements of the top ten developing world recipient nations in both the 1992-1995 and 1996-1999 periods accounted for the major portion of the total developing nations arms market. During 1992-1995, the top ten recipients collectively accounted for 76.3 percent of all developing world arms transfer agreements. During 1996-1999, the top ten recipients collectively accounted for 64.3 percent of all such agreements. Arms transfer agreements with the top ten developing world recipients, as a group, totaled \$15.9 billion in 1999 or 77.3 percent of all arms transfer agreements with developing nations in that year. This reflects the continued concentration of major arms purchases by developing nations within a few countries (Tables 1 and 1I.)

South Africa ranked first among all developing world recipients in the value of arms transfer agreements in 1999, concluding \$3.3 billion in such agreements. Egypt ranked second in agreements in 1999 at \$2.6 billion. Israel ranked third with \$2.3 billion in agreements.

Saudi Arabia was the leading recipient of arms deliveries among developing world recipients in 1999, receiving \$6.9 billion in such deliveries. Saudi Arabia alone received 30.4 percent of the total value of all arms deliveries to developing nations in 1999. Taiwan ranked second in arms deliveries in 1999 with \$2.6 billion. Israel ranked third with \$2 billion (Table 2).

Arms deliveries to the top ten developing nation recipients, as a group, were valued at \$18.2 billion, or 80.3 percent of all arms deliveries to developing nations in 1999. Six of these top ten recipients were in Asia (Table 2).

Weapons Types Recently Delivered to Near East Nations

Regional weapons delivery data reflect the diverse sources of supply of conventional weaponry available to developing nations. Even though the United States, Russia, and the four major West European suppliers dominate in the delivery of the fourteen classes of weapons examined, it is also evident that the other European suppliers and some non-European suppliers, including China, are capable of being leading suppliers of selected types of conventional armaments to developing nations (Table 3).

Weapons deliveries to the Near East, the largest purchasing region in the developing world, reflect the substantial quantities and types delivered by both major and lesser suppliers. The following is an illustrative summary of weapons deliveries to this region for the period 1996-1999.

United States

- 393 tanks and self-propelled guns
- 1,576 APCs and armored cars
- 4 minor surface combatants
- 91 supersonic combat aircraft
- 62 helicopters
- 799 surface-to-air missiles
- 57 anti-ship missiles

Russia

- 290 tanks and self-propelled guns
- 510 APCs and armored cars
- 1 submarine
- 20 supersonic combat aircraft
- 60 helicopters
- 140 surface-to-air missiles

China

- 5 guided missile boats
- 10 supersonic combat aircraft
- 300 surface-to-air-missiles
- 160 anti-ship missiles

Major West European Suppliers

- 270 tanks and self-propelled guns
- 390 APCs and armored cars
- 2 major surface combatants
- 15 minor surface combatants
- 8 guided missile boats
- 2 submarines
- 30 supersonic combat aircraft
- 10 anti-ship missiles

All Other European Suppliers

- 120 tanks and self-propelled guns
- 110 artillery
- 1,230 APCs and armored cars

-
- 2 major surface combatants
 - 5 minor surface combatants
 - 20 supersonic combat aircraft
 - 30 helicopters

All Other Suppliers

- 3 minor surface combatants
- 20 surface-to-surface missiles

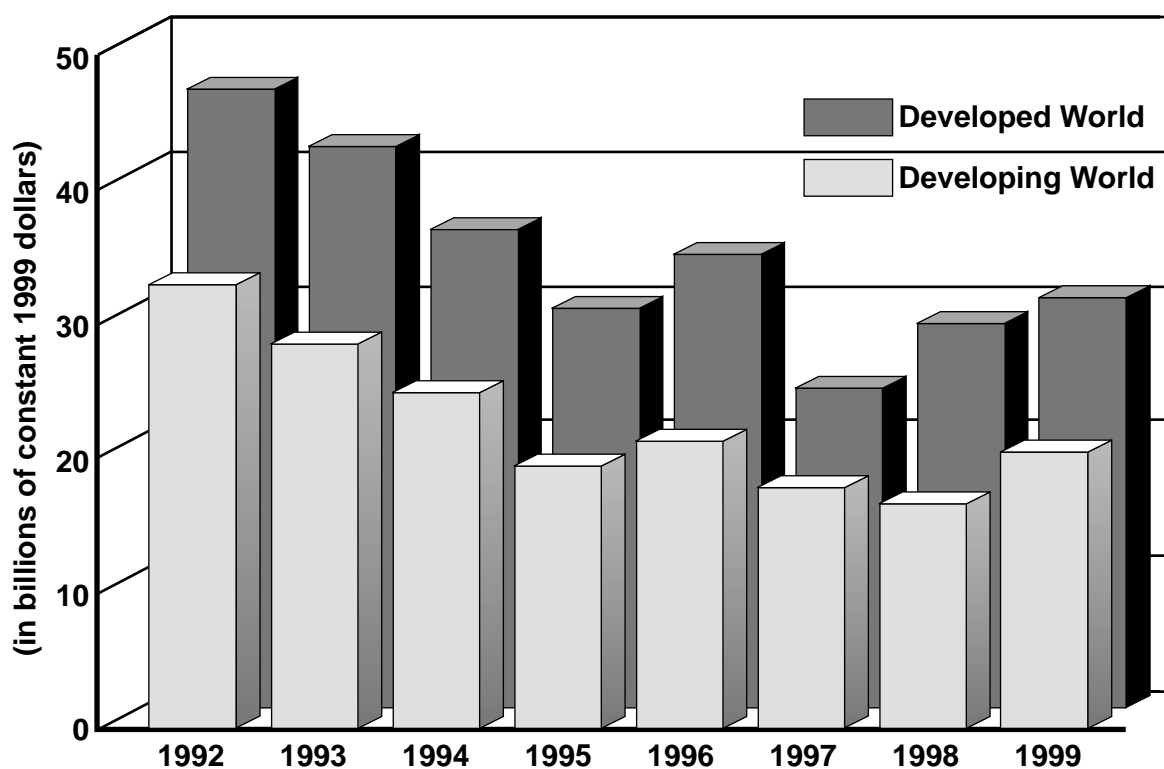
Large numbers of major combat systems were delivered to the Near East region from 1996-1999, in particular, tanks and self-propelled guns, armored vehicles, minor surface combatants, artillery pieces, supersonic combat aircraft, helicopters, air defense and anti-ship missiles. The United States made significant deliveries of supersonic combat aircraft to the region. Russia, the United States, and European suppliers in general were the principal suppliers of tanks and self-propelled guns. Three of these weapons categories—supersonic combat aircraft, helicopters, and tanks and self-propelled guns—are especially costly and are an important portion of the dollar values of arms deliveries of the United States, Russia, and European suppliers to the Near East region during the 1996-1999 period. The cost of naval combatants is also generally high, and suppliers of such systems during this period had their delivery value totals notably increased due to these transfers. Some of the less expensive weapons systems delivered to the Near East are deadly and can create important security threats within the region. In particular, from 1996-1999, China delivered to the Near East region 160 anti-ship missiles, while the United States delivered 57. China also delivered 5 guided missile boats to the Near East, while the major West European suppliers collectively delivered 8 guided missile boats. Other non-European suppliers delivered 20 surface-to-surface missiles.

United States Commercial Arms Exports

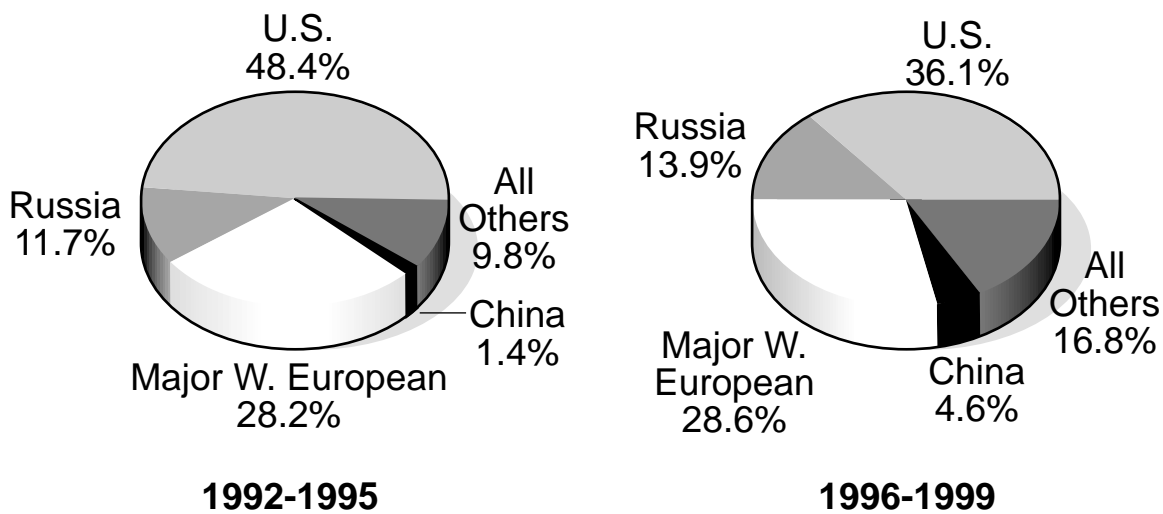
The United States commercial deliveries data set out below are included in the main data tables for deliveries in this report. They are presented separately here to provide an indicator of their overall magnitude in the U.S. aggregate deliveries totals for the world and for developing nations. The United States is the only major arms supplier that has two distinct systems for the export of weapons: the government-to-government foreign military sales (FMS) system, and the licensed commercial export system. It should be noted that data maintained on U.S. commercial sales agreements and deliveries are incomplete, and not collected or revised on an on-going basis, making them significantly less precise than those for the U.S. FMS program—which accounts for the overwhelming portion of U.S. conventional arms transfer agreements and deliveries involving weapons systems. There are no official compilations of commercial agreement data comparable to that for the FMS program maintained on an annual basis. Once an exporter receives from the State Department a commercial license authorization to sell—valid for four years—there is no current requirement that the exporter provide to the State Department, on a systematic and on-going basis, comprehensive details regarding any sales contract that results from the license approval, including if any such contract is reduced in scope or cancelled. Nor is the exporter required to report that no contract with the prospective buyer resulted. Annual commercial deliveries data are obtained from shipper's export documents and completed licenses returned from ports of exit by the U.S. Customs Service to the Office of Defense Trade Controls (PM/DTC) of the State Department, which makes the final compilation of such data. This process for obtaining commercial deliveries data is much less systematic and much less timely than that

taken by the Department of Defense for government-to-government FMS transactions. Recently, efforts have been initiated by the U.S. government to improve the timeliness and quality of U.S. commercial deliveries data. The values of U.S. commercial arms deliveries to all nations and deliveries to developing nations for fiscal years 1992-1999, in current dollars, according to the U.S. State Department, were as follows:

Fiscal Year	Commercial Deliveries (Worldwide)	Commercial Deliveries (to Developing Nations)
1992	\$2,667,000,000	\$1,522,000,000
1993	\$3,808,000,000	\$2,921,000,000
1994	\$3,339,000,000	\$2,155,000,000
1995	\$3,173,000,000	\$1,804,000,000
1996	\$1,563,000,000	\$696,000,000
1997	\$1,818,000,000	\$1,141,000,000
1998	\$2,045,000,000	\$797,000,000
1999	\$654,000,000	\$321,000,000



**Chart 1. Arms Transfer Agreements Worldwide, 1992-1999
Developed and Developing Worlds Compared**



**Chart 2 - Arms Transfer Agreements Worldwide
(supplier percentage of value)**

**Table 1. Arms Transfer Agreements With Developing Nations, by Supplier, 1992-1999
(in millions of current U.S. dollars)**

	1992	1993	1994	1995	1996	1997	1998	1999	1992-1999
United States	12,444	14,436	6,748	4,235	6,900	3,635	6,273	8,072	62,743
Russia	1,400	1,200	3,700	5,300	4,200	3,300	2,200	4,100	25,400
France	8,600	3,900	8,100	2,400	1,100	4,600	2,500	400	31,600
United Kingdom	1,800	2,300	700	600	2,000	1,000	1,000	500	9,900
China	600	500	600	200	800	1,300	700	1,900	6,500
Germany	200	1,000	0	300	0	100	1,500	2,000	5,100
Italy	500	300	200	800	300	300	0	400	2,800
All Other European	1,100	500	1,600	2,400	2,900	1,700	1,300	2,600	14,100
All Others	1,100	600	500	1,500	1,700	1,100	900	600	8,000
TOTAL	27,644	24,736	22,148	17,735	19,900	17,035	16,373	20,572	166,143

*Dollar inflation

Index: 0.8516 0.8761 0.8957 0.9135 0.9329 0.953 0.973 1
(1999=1.00)*

Source: U.S. government.

Note: Developing nations category excluded the U.S., Europe, Canada, Japan, Australia and New Zealand. All data are for the calendar year given except for U. S. MAP (Military Assistance Program), IMET (International Military Education and Training), and Excess Defense Article data which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

*Based on Department of Defense Price Deflator

Table 1A. Arms Transfer Agreements with Developing Nations, by Supplier, 1992-1999
(in millions of constant 1999 U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	14,612	16,478	7,534	4,636	7,396	3,814	6,447	8,072	68,989
Russia	1,644	1,370	4,131	5,802	4,502	3,463	2,261	4,100	27,272
France	10,099	4,452	9,043	2,627	1,179	4,827	2,569	400	35,196
United Kingdom	2,114	2,625	782	657	2,144	1,049	1,028	500	10,898
China	587	571	670	219	858	1,364	719	1,900	6,888
Germany	235	1,141	0	328	0	105	1,542	2,000	5,351
Italy	587	342	223	876	322	315	0	400	3,065
All Other European	1,292	571	1,786	2,627	3,109	1,784	1,336	2,600	15,104
All Others	1,292	685	558	1,642	1,822	1,154	925	600	8,678
TOTAL	329,461	28,234	24,727	19,414	21,331	17,875	16,827	20,572	181,443

Table 1B. Arms Transfer Agreement with Developing Nations, by Supplier, 1992-1999
(expressed as a percent of total, by year)

	1992	1993	1994	1995	1996	1997	1998	1999
United States	45.02 %	58.36 %	30.47 %	23.88 %	34.67 %	21.34 %	38.31 %	39.24 %
Russia	5.06 %	4.85 %	16.71 %	29.88 %	21.11 %	19.37 %	13.44 %	19.93 %
France	31.11 %	15.77 %	36.57 %	13.53 %	5.53 %	27.00 %	15.27 %	1.94 %
United Kingdom	6.51 %	9.30 %	3.16 %	3.38 %	10.05 %	5.87 %	6.11 %	2.43 %
China	1.81 %	2.02 %	2.71 %	1.13 %	4.02 %	7.63 %	4.28 %	9.24 %
Germany	0.72 %	4.04 %	0.00 %	1.69 %	0.00 %	0.59 %	9.16 %	9.72 %
Italy	1.81 %	1.21 %	0.90 %	4.51 %	1.51 %	1.76 %	0.00 %	1.94 %
All Other European	3.98 %	2.02 %	7.22 %	13.53 %	14.57 %	9.98 %	7.94 %	12.64 %
All Others	3.98 %	2.43 %	2.26 %	8.46 %	8.54 %	6.46 %	5.50 %	2.92 %
[Major West								
European*	40.15 %	30.32 %	40.64 %	23.12 %	17.09 %	35.22 %	30.54 %	16.04 %]
TOTAL	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

*Major West European category includes France, United Kingdom, Germany, and Italy.

**Table IF. Arms Transfer Agreements with Developing Nations, 1992-1999:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 1992-1995
1	United States	37,863
2	France	23,000
3	Russia	11,600
4	United Kingdom	5,400
5	China	1,800
6	Italy	1,800
7	Germany	1,500
8	Israel	900
9	Spain	900
10	Netherlands	700
11	Ukraine	700
Rank	Supplier	Agreements Value 1996-1999
1	United States	24,880
2	Russia	13,800
3	France	8,600
4	China	4,700
5	United Kingdom	4,500
6	Germany	3,600
7	Belarus	1,500
8	Ukraine	1,500
9	Israel	1,500
10	Italy	1,000
11	Sweden	1,000
Rank	Supplier	Agreements Value 1992-1999
1	United States	62,743
2	France	31,600
3	Russia	25,400
4	United Kingdom	9,900
5	China	6,500
6	Germany	5,100
7	Italy	2,800
8	Israel	2,400
9	Ukraine	2,200
10	Belarus	1,700
11	South Africa	1,500

Source: U.S. government.

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

**Table 1G. Arms Transfer Agreements with Developing Nations in 1999:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 1999
1	United States	8,072
2	Russia	4,100
3	Germany	2,000
4	China	1,900
5	Sweden	700
6	Belgium	600
7	United Kingdom	500
8	Italy	400
9	France	400
10	Ukraine	300
11	Canada	200

Source: U.S. government.

Note: All foreign data are rounded to the nearest \$100 million.
Where data totals are the same, the actual rank order is maintained

Table 11. Arms Transfer Agreements of Developing Nations, 1992-1999:
Agreements by the Leading Recipients
(in millions of current U.S. dollars)

Rank	Recipient	Agreement Value 1992-1995
1	Saudi Arabia	21,800
2	Taiwan	13,300
3	U.A.E.	7,300
4	China	7,000
5	Kuwait	6,100
6	Israel	3,300
7	Egypt	3,100
8	Malaysia	3,000
9	Pakistan	2,800
10	South Korea	2,700
Rank	Recipient	Agreements Value 1996-1999
1	U.A.E.	7,700
2	India	7,300
3	Saudi Arabia	7,100
4	Egypt	6,700
5	Israel	4,500
6	China	3,900
7	South Africa	3,400
8	South Korea	2,700
9	Taiwan	2,100
10	Pakistan	2,100
Rank	Recipient	Agreements Value 1992-1999
1	Saudi Arabia	28,900
2	Taiwan	15,400
3	U.A.E.	15,000
4	China	10,900
5	Egypt	9,800
6	India	8,600
7	Israel	7,800
8	Kuwait	7,200
9	Malaysia	4,900
10	Pakistan	4,900

Source: U.S. government.

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the rank order is maintained.

Table 2. Arms Deliveries to Developing Nations, by Supplier, 1992-1999
(in millions of current U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	9,564	10,804	8,531	11,401	9,872	11,565	10,974	11,366	84,077
Russia	2,600	2,100	1,400	2,700	2,200	2,200	1,900	2,000	17,100
France	1,100	800	700	2,000	2,900	5,700	6,000	2,200	21,400
United Kingdom	5,400	3,800	4,700	4,900	5,800	5,900	3,300	3,900	37,700
China	1,000	1,100	600	700	600	1,000	500	300	5,800
Germany	200	600	800	800	400	100	500	600	4,000
Italy	100	0	200	200	100	600	0	0	1,200
All Other European	1,800	1,300	2,200	2,300	2,300	3,100	1,900	1,800	16,700
All Others	1,100	1,100	1,000	1,100	1,100	900	700	500	7,500
TOTAL	22,864	21,604	20,131	26,101	25,272	31,065	25,774	22,666	195,477

Dollar inflation index
(1999=1.00)*

0.8516	0.8761	0.8957	0.9135	0.9329	0.953	0.973	1
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Source: U.S. government. Note: Developing nations category excludes the United States, Russia, Europe, Canada, Japan, Australia, and New Zealand. All data are for the calendar year given, except for U.S. MAP (Military Assistance Program), IMET (International Military Education and Training), Excess Defense Articles, and commercially licensed deliveries, which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

*Based on Department of Defense Price Deflator.

Table 2A. Arms Deliveries to Developing Nations, by Supplier, 1992-1999
(in millions of constant 1999 U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	11,231	12,332	9,524	12,481	10,582	12,135	11,279	11,366	90,929
Russia	3,053	2,968	2,345	2,956	2,358	2,308	1,953	2,000	19,940
France	1,292	913	782	2,189	3,109	5,981	6,166	2,200	22,632
United Kingdom	6,341	6,164	5,247	5,364	6,217	6,191	3,392	3,900	42,816
China	1,174	1,256	670	766	643	1,049	514	300	6,372
Germany	235	685	893	876	429	105	514	600	4,336
Italy	117	0	223	219	107	630	0	0	1,296
All Other European	2,114	1,484	2,456	2,518	2,465	3,253	1,953	1,800	18,043
All Others	1,292	1,256	1,116	1,204	1,179	944	719	500	8,211
TOTAL	26,848	27,056	23,257	28,573	27,090	32,597	26,489	22,666	214,576

Table 2B. Arms Deliveries to Developing Nations, by Supplier, 1992-1999
(expressed as a percent of total, by year)

	1992	1993	1994	1995	1996	1997	1998	1999
United States	41.83 %	50.01 %	42.38 %	43.38 %	39.06 %	37.23 %	42.58 %	50.15 %
Russia	11.37 %	9.72 %	6.95 %	10.34 %	8.71 %	7.08 %	7.37 %	8.82 %
France	4.81 %	3.70 %	3.48 %	7.66 %	11.48 %	18.35 %	23.28 %	9.71 %
United Kingdom	23.62 %	17.59 %	23.35 %	18.77 %	22.95 %	18.99 %	12.80 %	17.21 %
China	4.37 %	5.09 %	2.98 %	2.68 %	2.37 %	3.22 %	1.94 %	1.32 %
Germany	0.87 %	2.78 %	3.97 %	3.07 %	1.58 %	0.32 %	1.94 %	2.65 %
Italy	0.44 %	0.00 %	0.99 %	0.77 %	0.40 %	1.93 %	0.00 %	0.00 %
All Other European	7.87 %	6.02 %	10.93 %	8.81 %	9.10 %	9.98 %	7.37 %	7.94 %
All Others	4.81 %	5.09 %	4.97 %	4.21 %	4.35 %	2.90 %	2.72 %	2.21 %
[Major West European*	29.74 %	24.07 %	31.79 %	30.27 %	36.40 %	39.59 %	38.02 %	29.56 %]
TOTAL	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

*Major West European category includes France, United Kingdom, Germany, and Italy.

**Table 2F. Arms Deliveries to Developing Nations, 1992-1999:
Lending Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Deliveries Value 1992-1995
1	United States	40,300
2	United Kingdom	18,800
3	Russia	8,800
4	France	4,600
5	China	3,400
6	Germany	2,400
7	Sweden	2,000
8	Israel	1,800
9	Canada	1,000
10	South Africa	700
11	Spain	600
Rank	Supplier	Deliveries Value 1996-1999
1	United States	43,777
2	United Kingdom	18,900
3	France	16,800
4	Russia	8,300
5	Sweden	2,500
6	China	2,400
7	Germany	1,600
8	Ukraine	1,500
9	Israel	1,000
10	Belarus	1,000
11	Netherlands	900
Rank	Supplier	Deliveries Value 1992-1999
1	United States	84,077
2	United Kingdom	37,700
3	France	21,400
4	Russia	17,100
5	China	5,800
6	Sweden	4,400
7	Germany	4,000
8	Israel	2,800
9	Ukraine	1,800
10	Canada	1,600
11	South Africa	1,500

Source: U.S. government.

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the rank order is maintained.

**Table 2G. Arms Deliveries to Developing Nations in 1999:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Recipient	Deliveries Value 1999
1	United States	11,366
2	United Kingdom	3,900
3	France	2,200
4	Russia	2,000
5	Germany	600
6	Sweden	500
7	Ukraine	400
8	Belarus	300
9	China	300
10	Israel	200
11	Bulgaria	200

Source: U.S. government.

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

**Table 2I. Arms Deliveries to Developing Nations, 1992-1999:
The Leading Recipients
(in millions of current U.S. dollars)**

Rank	Recipient	Deliveties Value 1992-1995
1	Saudi Arabia	31,300
2	Egypt	5,800
3	Taiwan	4,400
4	South Korea	4,100
5	Kuwait	3,300
6	U.A.E.	3,300
7	Iran	3,000
8	China	2,800
9	Israel	2,700
10	Malaysia	2,000
Rank	Recipient	Deliveries Value 1996-1999
1	Saudi Arabia	34,800
2	Taiwan	16,200
3	South Korea	4,700
4	U.A.E.	4,500
5	Israel	4,500
6	Kuwait	4,300
7	Egypt	3,900
8	China	3,100
9	Pakistan	2,400
10	India	2,000
Rank	Recipient	Deliveiies Value 1992-1999
1	Saudi Arabia	66,100
2	Taiwan	20,600
3	Egypt	9,700
4	South Korea	8,800
5	U.A.E.	7,800
6	Kuwait	7,600
7	Israel	7,200
8	China	5,900
9	Iran	4,700
10	Pakistan	4,200

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Table 3. Numbers of Weapons Delivered by Major Suppliers to Developing Nations

Weapons Category	U.S.	Russia	China	Major West European	All Other European	All Others
1992-1995						
Tanks and Self-Propelled						
Guns	1,623	540	310	90	610	170
Artillery	260	480	410	270	1,150	280
APCs and Armored Cars	2,091	1,460	40	450	2,150	270
Major Surface Combatants	0	0	5	43	0	2
Minor Surface Combatants	44	13	11	53	29	50
Guided Missile Boats	0	0	14	4	0	2
Submarines	0	4	0	7	0	0
Supersonic Combat Aircraft	265	70	110	0	60	40
Subsonic Combat Aircraft	92	0	0	100	0	0
Other Aircraft	43	20	70	80	260	80
Helicopters	283	210	0	140	100	20
Surface-to-Air Missiles	1,619	1,600	330	3,260	750	350
Surface-to-Surface Missiles	0	0	30	0	0	110
Anti-Ship Missiles	439	20	140	60	0	0
1996-1999						
Tanks and Self-Propelled						
Guns	869	370	240	320	1,260	50
Artillery	183	200	50	110	300	160
APCs and Armored Cars	1,705	690	120	810	1,540	80
Major Surface Combatants	3	0	1	17	3	0
Minor Surface Combatants	33	3	22	30	41	49
Guided Missile Boats	0	0	9	12	0	3
Submarines	0	4	0	7	0	2
Supersonic Combat Aircraft	375	130	80	110	110	30
Subsonic Combat Aircraft	2	0	0	50	30	30
Other Aircraft	45	30	60	50	180	160
Helicopters	159	220	0	40	110	30
Surface-to-Air Missiles	907	1,910	790	560	2,060	250
Surface-to-Surface Missiles	0	0	0	0	0	30
Anti-Ship Missiles	220	70	190	70	0	10

Source: U.S. government.

Note: Developing nations category excludes the U.S., Russia, Europe, Canada, Japan, Australia and New Zealand. All data are for calendar years given. Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Worldwide Arms Transfer Agreements and Deliveries Values, 1992-1999

Tables, 8, 8A, and 8B and 9, 9A and 9B, provide the total dollar values for arms transfer agreements and arms deliveries worldwide in the same format and detail as do Tables 1, 1A and 1B and Tables 2, 2A and 2B for arms transfer agreements with and arms deliveries to developing nations.

Total Worldwide Arms Transfer Agreements Values, 1992-1999

Table 8 shows the annual current dollar values of arms transfer agreements worldwide. Since these figures do not allow for the effects of inflation, they are, by themselves, of limited use. They provide, however, the data from which Tables 8A (constant dollars) and 8B (supplier percentages) are derived. Some of the more notable facts reflected by these data are summarized below. Unless otherwise noted, dollar values are expressed in constant 1999 U.S. dollars.

- The United States ranked first among all suppliers to the world in the value of arms transfer agreements from 1996-1999, and first for the entire period from 1992-1999 (Figure 1).
- Russia ranked second among all suppliers to the world in the value of arms transfer agreements from 1996-1999, and third from 1992-1999.
- France ranked third among all suppliers to the world in the value of arms transfer agreements from 1996-1999, and second from 1992-1999.
- The United Kingdom ranked fourth among all suppliers to the world in the value of arms transfer agreements from 1996-1999, and fourth from 1992-1999.

In 1999, the value of all arms transfer agreements worldwide was nearly \$30.3 billion. This is the highest total for arms transfer agreements in any year since 1996, and an increase over 1998 which totaled \$28.3 billion.

- In 1999, the United States was the leader in arms transfer agreements with the world, making about \$11.8 billion in such agreements, or 38.9 percent of all arms transfer agreements. Russia ranked second with \$4.8 billion in arms transfer agreements, or 15.9 percent of all arms transfer agreements. Germany ranked third with \$4 billion or 13.2 percent. United States agreements increased from \$10.3 billion in 1998 to about \$11.8 billion in 1999. France's arms transfer agreements fell significantly from about \$3.4 billion 1998 to \$900 million in 1999.
- The United States, Russia and Germany, the top three arms suppliers to the world in 1999—respectively—ranked by the value of their arms transfer agreements—collectively made agreements in 1999 valued at nearly \$20.6 billion, 68 percent of all arms transfer agreements made with the world by all suppliers.
- The total value of all arms transfer agreements worldwide from 1996-1999 (\$115.3 billion) was notably less than the value of arms transfer agreements by all suppliers worldwide from 1992-1995 (\$150.4. billion), a decline of 23.3 percent (Figure 1).

- During the period from 1992-1995, developing world nations accounted for 69.7 percent of all arms transfer agreements made world wide. During 1996-1999, developing world nations accounted for 66.4 percent of all agreements made worldwide (Figure 1).

- In 1999, developing nations were recipients of 68 percent of all arms transfer agreements made worldwide (Figure 1).

Total Worldwide Delivery Values 1992-1999

Table 9 shows the annual current dollar values of arms deliveries (items actually transferred) worldwide by major suppliers from 1992-1999. The utility of these data is that they reflect transfers that have occurred. They provide the data from which tables 9A(constant dollars) and 9B (supplier percentages) are derived. Some of the more notable facts illustrated by these data are summarized below. Unless otherwise noted the dollar values are expressed in constant 1999 U.S. dollars.

- In 1999, the United States ranked first in the value of arms deliveries worldwide, making nearly \$18.4 billion in such deliveries. This is the eighth year in a row that United States has led in such deliveries, reflecting implementation of arms agreements concluded during and immediately after the Persian Gulf War (Figure 2).

- The United Kingdom ranked second in arms deliveries worldwide in 1999, making \$4.5 billion in such deliveries.

- Russia ranked third in arms deliveries worldwide in 1999, making \$2.7 billion in such deliveries.

- In 1999, the top three suppliers of arms to the world, the United States, the United Kingdom, and Russia, collectively delivered nearly \$25.6 billion, 75.3 percent of all arms deliveries made worldwide by all suppliers.

- The U.S. share of all arms deliveries worldwide in 1999 was 54.1 percent, up from its 46.9 percent share in 1998. The United Kingdom's share in 1999 was 13.3 percent up from 10.7 percent in 1998. Russia's share of world arms deliveries in 1999 was 8 percent, up from 5.9 percent in 1998 (Table 9B).

- In 1999, the value of all arms deliveries worldwide was nearly \$34 billion, a decline in the total value of deliveries from the previous year (\$35.4 billion in constant 1999 dollars), and the lowest deliveries total since 1994 (Table 9A).

- During the period from 1992-1995, developing world nations accounted for 72.6 percent of all arms deliveries received worldwide. During 1996-1999, developing world nations accounted for 77.9 percent of all deliveries worldwide (Figure 2).

- In 1999, developing nations as recipients of arms accounted for 66.8 percent of an arms deliveries received worldwide (Figure 2).

- The total value of all arms deliveries by all suppliers worldwide from 1996-1999 (\$150.3 billion) was an increase of 3 percent from the value of arms deliveries by an suppliers worldwide from 1992-1995 (\$145.9 billion in constant 1999 dollars) (Figure 2) (Table 9A)

Table 8. Arms Transfer Agreements with the World, by Supplier, 1992-1999
(in millions of current U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	20,644	21,524	12,792	8,872	11,111	7,341	10,024	11,768	104,076
Russia	1,800	2,400	4,000	7,500	4,700	3,500	2,500	4,800	31,200
France	9,000	5,000	8,700	2,600	2,600	5,000	3,300	900	37,100
United Kingdom	1,800	2,800	700	800	4,300	1,000	2,000	800	14,200
China	500	500	600	200	1,000	1,300	900	1,900	6,900
Germany	1,300	1,300	1,200	500	100	600	5,000	4,000	14,000
Italy	500	400	200	1,200	400	300	900	600	4,500
All Other European	1,700	900	2,400	2,900	3,800	2,000	1,700	4,600	20,000
All Others	1,200	1,100	800	2,100	3,000	1,400	1,200	900	11,700
TOTAL	38,444	35,924	31,392	26,672	31,011	22,441	27,524	30,268	243,676

Dollar inflation
index (1999=1.00)* 0.8516 0.8761 0.8957 0.9135 0.9329 0.9530 0.973

Source: U.S. government

Note: All data are for the calendar year given except for U.S. MAP (Military Assistance Program) and IMET (International Military Education and Training), and Excess Defense Articles, which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

*Based on Department of Defense Price Deflator.

Table 8A. Arms Transfer Agreements with the World, by Supplier, 1992-1999
(in millions of constant 1999 U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	24,241	24,568	14,282	9,712	11,910	7,703	10,302	11,768	114,486
Russia	2,114	2,739	4,466	8,210	5,038	3,673	2,569	4,800	33,609
France	10,568	5,707	9,713	2,846	2,787	5,247	3,392	900	41,160
United Kingdom	2,114	3,196	782	876	4,609	1,049	2,055	800	15,481
China	587	571	670	219	1,072	1,364	925	1,900	7,308
Germany	1,527	1,484	1,340	547	107	630	5,139	4,000	14,773
Italy	587	457	223	1,314	429	315	925	600	4,839
All Other European	1,996	1,027	2,679	3,175	4,073	2,099	1,747	4,600	21,397
All Others	1,409	1,256	893	2,299	3,216	1,469	1,233	900	12,675
TOTAL	45,143	41,004	35,047	29,198	33,242	23,548	28,288	30,268	265,738

Table 8B. Arms Transfer Agreements with the World, by Supplier, 1992-1999
(expressed as a percent of total, by year)

	1992	1993	1994	1995	1996	1997	1998	1999
United States	53.70 %	59.92 %	40.75 %	33.26 %	35.83 %	32.71 %	36.42 %	38.88 %
Russia	4.68 %	6.68 %	12.74 %	28.12 %	15.16 %	15.60 %	9.08 %	15.86 %
France	23.41 %	13.92 %	27.71 %	9.75 %	8.38 %	22.28 %	11.99 %	2.97 %
United Kingdom	4.68 %	7.79 %	2.23 %	3.00 %	13.87 %	4.46 %	7.27 %	2.64 %
China	1.30 %	1.39 %	1.91 %	0.75 %	3.22 %	5.79 %	3.27 %	6.28 %
Germany	3.38 %	3.62 %	3.82 %	1.87 %	0.32 %	2.67 %	18.17 %	13.22 %
Italy	1.30 %	1.11 %	0.64 %	4.50 %	1.29 %	1.34 %	3.27 %	1.98 %
AJI Other European	4.42 %	2.51 %	7.65 %	10.87 %	12.25 %	8.91 %	6.18 %	15.20 %
All Others	3.12 %	3.06 %	2.55 %	7.87 %	9.67 %	6.24 %	4.36 %	2.97 %
[Major West European*]	32.77 %	26.44 %	34.40 %	19.12 %	23.86 %	30.75 %	40.69 %	20.81 %]
TOTAL	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 9. Arms Deliveries to the World, by Supplier, 1992-1999
(in millions of current U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	13,309	15,177	13,501	16,000	14,713	16,487	16,620	18,351	124,158
Russia	2,600	3,400	1,700	3,500	2,900	2,700	2,100	2,700	21,600
France	2,100	1,500	1,300	2,800	3,600	6,100	6,400	2,400	26,200
United Kingdom	6,100	4,600	5,200	5,300	6,500	6,800	3,800	4,500	42,800
China	1,000	1,200	600	700	600	1,000	600	300	6,000
Germany	1,000	1,600	1,600	1,600	1,300	700	1,500	1,200	10,500
Italy	400	300	200	200	100	700	100	100	2,100
All Other European	3,900	2,400	3,400	3,500	3,400	4,000	2,700	2,400	25,700
All Others	1,700	1,800	1,900	1,900	1,700	2,100	1,600	2,000	14,700
TOTAL	32,109	31,977	29,401	35,500	34,813	40,587	35,420	33,951	273,758

Dollar inflation
index (1999=1.00)* 0.8516 0.8761 0.8957 0.9135 0.9329 0.953 0.973 1

Source: U.S. government

Note: All data are for the calendar year given. All data are for the calendar year given except for U.S. MAP (Military Assistance Program), IMET (International Military Education and Training), Excess Defense Articles, and commercially licensed deliveries, which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

* Based on Department of Defense Price Deflator.

Table 9A. Arms Deliveries to the World, by Supplier, 1992-1999
(in millions of constant 1999 U.S. dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL 1992- 1999
United States	15,628	17,323	15,073	17,515	15,771	17,300	17,081	18,351	134,043
Russia	3,053	3,881	1,898	3,831	3,109	2,833	2,158	2,700	23,463
France	2,466	1,712	1,451	3,065	3,859	6,401	6,578	2,400	27,932
United Kingdom	7,163	5,251	5,806	5,802	6,968	7,135	3,905	4,500	46,529
China	1,174	1,370	670	766	643	1,049	617	300	6,589
Germany	1,174	1,826	1,786	1,752	1,394	735	1,542	1,200	11,408
Italy	470	342	223	219	107	735	103	100	2,299
All Other European	4,580	2,739	3,796	3,831	3,645	4,197	2,775	2,400	27,963
All Others	1,996	2,055	2,121	2,080	1,822	2,204	1,644	2,000	15,922
TOTAL	37,704	36,499	32,825	38,862	37,317	42,589	36,403	33,951	296,149

Table 9B. Arms Deliveries to the World, by Supplier 1992-1999
(expressed as a percent of total, by year)

	1992	1993	1994	1995	1996	1997	1998	1999
United States	41.45%	47.46%	45.92%	45.07%	42.26%	40.62%	46.92%	54.05%
Russia	8.10%	10.63%	5.78%	9.86%	8.33%	6.65%	5.93%	7.95%
France	6.54%	4.69%	4.42%	7.89%	10.34%	15.03%	18.07%	7.07%
United Kingdom	19.00%	14.39%	17.69%	14.93%	18.67%	16.75%	10.73%	13.25%
China	3.11%	3.75%	2.04%	1.97%	1.72%	2.46 %	1.69%	0.88%
Germany	3.11%	5.00%	5.44%	4.51%	3.73 %	1.72%	4.23%	3.53%
Italy	1.25%	0.94%	0.68%	0.56%	0.29%	1.72%	0.28%	0.29%
All Other European	12.15%	7.51%	11.56%	9.86%	9.77%	9.86%	7.62%	7.07%
All Others	5.29%	5.63%	6.46%	5.35%	4.88 %	5.17%	4.52%	5.89%
[Major West European*	29.90%	25.02%	28.23%	27.89%	33.03%	35.23%	33.31%	24.15%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, and Italy.

Description of Items Counted in Weapons Categories, 1992-1999

Tanks and Self-propelled Guns: This category includes light, medium, and heavy tanks; self-propelled artillery; self-propelled assault guns.

Artillery: This category includes field and air defense artillery, mortars, rocket launchers and recoilless rifles-100 mm and over; FROG launchers-100mm and over.

Armored Personnel Carriers (APCs) and Armored Cars: This category includes personnel carriers, armored and amphibious; armored infantry fighting vehicles; armored reconnaissance and command vehicles.

Major Surface Combatants: This category includes aircraft carriers, cruisers, destroyers, frigates.

Minor Surface Combatants: This category includes minesweepers, subchasers, motor torpedo boats, patrol craft, motor gunboats.

Submarines: This category includes all submarines, including midget submarines.

Guided Missile Patrol Boats: This category includes all boats in this class.

Supersonic Combat Aircraft: This category includes all fighter and bomber aircraft designed to function operationally at speeds above Mach 1.

Subsonic Combat Aircraft: This category includes all fighter and bomber aircraft designed to function operationally at speeds above Mach 1.

Other Aircraft: This category includes all other fixed-wing aircraft, including trainers, transports, reconnaissance aircraft, and communications/utility aircraft.

Helicopters: This category includes all helicopters, including combat and transport.

Surface-to-air Missiles: This category includes all ground-based air defense missiles.

Surface-to-surface Missiles: This category includes all surface-surface missiles without regard to range, such as Scuds and CSS-2s. It excludes all anti-tank missiles and all anti-ship missiles.

Anti-ship Missiles: This category includes all missiles in this class such as the Harpoon, Silkworm, Styx and Exocet.

Regions Identified in Arms Transfer Tables and Charts

ASIA	NEAR EAST	EUROPE	AFRICA	LATIN AMERICA
Afghanistan	Algeria	Albania	Angola	Antigua
Australia	Bahrain	Armenia	Benin	Argentina
Bangladesh	Egypt	Austria	Botswana	Bahamas
Brunei	Iran	Azerbaijan	Burkina Faso	Barbados
Burma (Myanmar)	Iraq	Belarus	Burundi	Belize
China	Israel	Bosnia/Herzegovina	Cameroon	Bermuda
Fiji	Jordan	Bulgaria	Cape Verde	Bolivia
India	Kuwait	Belgium	Central African Republic	Brazil
Indonesia	Lebanon	Canada	Chad	British Virgin Islands
Japan	Libya	Croatia	Congo	Cayman Islands
Kampuchea (Cambodia)	Morocco	Czechoslovakia/ Czech Republic	Côte d'Ivoire	Chile
Kazakhstan	Oman	Cyprus	Djibouti	Colombia
Kyrgyzstan	Qatar	Denmark	Equatorial Guinea	Costa Rica
Laos	Saudi Arabia	Estonia	Ethiopia	Cuba
Malaysia	Syria	Finland	Gabon	Dominica
Nepal	Tunisia	France	Gambia	Dominican Republic
New Zealand	United Arab Emirates	FYR/Macedonia	Ghana	Ecuador
North Korea	Yemen	Georgia	Guinea	El Salvador
Pakistan		Germany	Guinea-Bissau	French Guiana
Papua New Guinea		Greece	Kenya	Grenada
Philippines		Hungary	Lesotho	Guadeloupe
Pitcairn		Iceland	Liberia	Guatemala
Singapore		Ireland	Madagascar	Guyana
South Korea		Italy	Malawi	Haiti
Sri Lanka		Latvia	Mali	Honduras
Taiwan		Liechtenstein	Mauritania	Jamaica
Tajikistan		Lithuania	Mauritius	Martinique
Thailand		Luxembourg	Mozambique	Mexico
Turkmenistan		Malta	Namibia	Montserrat
Uzbekistan		Moldova	Niger	Netherlands Antilles
Vietnam		Netherlands	Nigeria	Nicaragua
		Norway	Réunion	Panama
		Poland	Rwanda	Paraguay
		Portugal	Senegal	Peru
		Romania	Seychelles	St. Kitts & Nevis
		Russia	Sierra Leone	St. Lucia
		Slovak Republic	Somalia	St. Pierre & Miquelon
		Slovenia	South Africa	St. Vincent
		Spain	Sudan	Suriname
		Sweden	Swaziland	Trinidad
		Switzerland	Tanzania	Turks & Caicos
		Turkey	Togo	Venezuela
		Ukraine	Uganda	
		United Kingdom	Zaire	
		Yugoslavia/Federal Republic	Zambia	
			Zimbabwe	